

1 to homes with or without children to pay for inside
2 wiring and capital improvements in all schools in
3 the nation, how do you think parents who already
4 paid for those capital improvements feel about
5 that?

6 MR. HEMSTAD: Or further, those
7 families that don't have children.

8 MR. NEWSOME: Well, only 25 percent
9 of our community has children in school, and the 80
10 percent vote that I mentioned were a good
11 percentage of those who don't.

12 I think to some extent it depends on
13 how we leverage the infrastructure for community
14 access and community improvement, and that's why
15 we're building this. If our rates go down, for
16 example, the 20,000 we pay to Northwest Net, they
17 give us a very slight discount, but not much of one
18 as an educational institution.

19 As band width requirements increase,
20 that's going to double, triple, quadruple, and
21 that's where we can come back to the community and
22 say, yeah, you're spending 80 cents a month off
23 your phone bill, but because you allowed us to
24 build a high band infrastructure, we can now supply
25 our classrooms with high band communication. And

1 the money that we would save in the discount to an
2 internet provider can be turned around and used
3 internally for additional tech support.

4 I don't know, I mean, that's just one
5 scenario that's a possibility. I think, you know,
6 as you frame the implementation, the other area
7 that I think communities could really benefit from
8 is framing the whole regulatory -- coordinating a
9 structure of how communities can help organize
10 themselves to take advantage of electronic
11 infrastructure.

12 I mean, there's a few examples around
13 the country. For example, one is in the silicon
14 Valley. There's one in Virginia, I think it's
15 Blacksburg, where they really wired the community
16 and the citizens and the government people and the
17 private sector are all working in concert to take
18 advantage of the infrastructure.

19 But those are very isolated examples.
20 And in many cases it's multiple providers within a
21 community fighting each other to get access.

22 To somehow coordinate it so structures
23 could be built-in so that there's an incentive to
24 cooperate instead of an incentive to compete. And
25 if regulatory road blocks could be removed to allow

1 entities to negotiate in a little bit safer arena
2 and models could be developed with that.

3 I mean, that doesn't cost money, that
4 costs policies and it costs regulations and it
5 costs thinking through, you know, a new way of
6 looking at the way communities interact.

7 CHAIRMAN NELSON: I'm afraid,
8 though, what I'm trying to tell you is that the
9 federal statute has heavy federal control. It will
10 be very topped down. And I think, I mean, we've
11 had obviously Mr. Bell's community took advantage
12 of the public education government access channels
13 franchising, and that program worked well here.

14 But I've heard horror stories in the
15 cable industry that coaxial in school systems is
16 not being used, that it's idle. So that's a waste
17 of everybody's money. And I think bottom up of
18 these networks is just much better than trying to
19 figure out a way we can advise our federal
20 government on some of these things too, so --

21 MR. NEWSOME: Tough job.

22 MR. GILLIS: I'd like to pursue
23 your last point a little bit more. Could you talk
24 about what the catalysts were in Bellevue and the
25 leadership, and why it seems to be --

1 MR. NEWSOME: Well, I think there
2 were probably multiple catalysts. One catalyst was
3 the city, and they were noticing -- Since we're
4 kind of in silicon northwest, or at least on the
5 edges of silicon northwest, the Bellevue Chamber of
6 Commerce, the Bellevue Downtown Association is very
7 good at creating a positive atmosphere to attract
8 business. And they looked at an example of how
9 private sector and public sector entities
10 cooperated to provide better reconstruction that
11 might not have occurred by itself. So that was one
12 catalyst.

13 Another was, you know, the money that
14 the community has supported in terms of the school
15 infrastructure and how to leverage them the best
16 way. Part of the problem, I mean, part of the
17 dilemma and part of the problem is existing mind
18 sets.

19 I mean, public schools have felt that
20 they have to solve their problems by themselves and
21 police have to solve their problems by themselves
22 and hospitals solve their problems by themselves,
23 and getting those people to talk at the same table
24 about sharing those responsibilities and using the
25 electronic infrastructure to communicate, for

1 example, a parent who wants to find out information
2 about a given city service may make 15 to 20 phone
3 calls before they finally get to the individual, or
4 voice mailbox of the individual, and yet you can do
5 with -- you know, as browser technology becomes
6 more standardized, you can do it with browsers and
7 searches, once people are trained, a whole lot more
8 efficiently to find service and access
9 information.

10 So that's another pressing need that's
11 come along.

12 We have a sky rocketing non-English
13 speaking population for a variety of reasons.
14 Eastern Washington has, of course, the same
15 problem. And so multilingual networks that can
16 facilitate the exchange of information, those are
17 all forces that have been catalysts in driving us
18 in this direction. And you know, static student
19 achievement over many years.

20 I mean, how do you really improve
21 student learning is a burning question for us. And
22 part of it is, you have to harness what goes on in
23 the homes and what goes on in the school. We heard
24 the gentleman over here talking about integrating
25 the school into the home. I think that's also what

1 we need to do.

2 Students need to spend more than four
3 and a half hours a day learning. Some students do,
4 and the results are they do extremely well. Many
5 students do not. That's as much a factor as what's
6 in the home and who their parents are and how much
7 money their parents make as anything else.

8 MR. GILLIS: You mentioned that the
9 government should plan the same cooperating
10 business. Is it your perception that broader
11 public policy is not providing adequate quality?

12 MR. NEWSOME: Well, I think, you
13 know, how broader public policy is played out in
14 different communities is varied greatly. I think,
15 you know, the climate in the country is providing
16 more avenues for cooperation as people realize
17 resources are limited, and that there's -- that
18 there's payoffs for cooperation.

19 You know, if you just threw open to the
20 open market the notion that, well, open market and
21 competition will drive rates down, what you will
22 see is some people will get very inexpensive
23 service and some people will get no service. So
24 there's, you know, you have to play it kind of both
25 ways.

1 MR. KING: Thank you, Mr. Newsome.
2 Is there anybody else this afternoon that would
3 like to speak?

4 MR. BELL: I have just a question.
5 Is wireless cable in your area?

6 CHAIRMAN NELSON: The UTC does not
7 regulate wireless, unless it becomes a monopoly
8 server... But the FCC has it in their sights.

9 MR. BELL: Okay.

10 MR. KING: Well, if there's no one
11 that wishes to speak, thank you very much for
12 coming this afternoon and helping us with this
13 problem.

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15 (3:15 p.m.)

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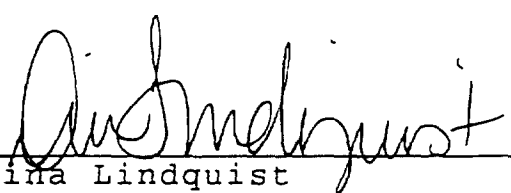
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1 STATE OF WASHINGTON)
2 County of Benton) ss.
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4

5 I, Dina Lindquist, do hereby certify
6 that at the time and place heretofore mentioned in
7 the caption of the foregoing matter, I was a
8 Certified Shorthand Reporter and Notary Public for
9 Washington; that at said time and place I reported
10 in stenotype all testimony adduced and proceedings
11 had in the foregoing matter; that thereafter my
12 notes were reduced to typewriting and that the
13 foregoing transcript consisting of 86 typewritten
14 pages is a true and correct transcript of all such
15 testimony adduced and proceedings had and of the
16 whole thereof.

17 Witness my hand at Kennewick, Washington,
18 on this 2nd day of October, 1996.

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22 Dina Lindquist
23 CSR NO. RANGEDK317L3
24 Certified Shorthand Reporter
25 Notary Public for Washington
 My commission expires: 12-9-97

